

## News Release NASDAQ-GS: NVEC

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### NORTHWESTERN ENERGY ANNOUNCES SITE SELECTION FOR PROPOSED ELECTRIC GENERATION PLANT

**Butte, Mont. – January 24, 2008** – NorthWestern Corporation d/b/a NorthWestern Energy (NASDAQ-GS: NVEC) is considering a site east of Anaconda, Montana for a proposed natural gas fired electric generation facility. The facility under consideration would provide regulating reserves within the company's transmission control area and must be approved by the MT Public Service Commission prior to the company committing to construction.

The site selection is the first of many remaining steps necessary to determine the viability of the project. The company must still obtain competitive bids for generation equipment and submit all of the necessary environmental permitting applications before determining the actual size of the project and whether it is economically viable. If, after further analysis, the project is deemed appropriate, it will be submitted to the Montana Public Service Commission in the spring or early summer for review and approval.

"There's still much work to be done; however, the site selection is necessary before proceeding with technology and environmental evaluations. Our independent engineering firm evaluated several possible sites in Montana and we chose the Mill Creek site due to the proximity and availability of electric and gas transmission facilities, access to rail and water supply," said Bill Rhoads, Director - Montana Production.

Dave Gates, Vice President - Wholesale Operations added that the proposed plant, adjacent to the company's Mill Creek Substation, would be built and operated in full compliance with Montana environmental statutes and meet or exceed all air and water quality standards. The power from the plant would be used to balance the company's transmission system and to provide the ancillary services needed to integrate the company's existing and any additional wind energy that may be added to NorthWestern's portfolio of electric supply resources. The exact size of the proposed plant has yet to be determined pending technology and environmental evaluations, but the range under consideration is 120 – 220 MW with an estimated cost in excess of \$100 million.

NorthWestern Energy operates a 7,000-mile high voltage transmission system that requires adequate reserve capacity to maintain federal reliability standards. Currently, the company must purchase and import these services from utilities in the northwestern US and Canada. Until recently the company was not allowed to own rate-based generation resources. The market availability of regulating reserve capacity is shrinking throughout the region because

utilities are now using more of their own regulating reserve capacity for projects on their own systems.

The Shaw Group/Stone and Webster is providing the engineering and technical analysis on the project while Bison Engineering, a Helena firm, has been hired as the environmental consultant. The project description and maps of the proposed site is available to the public on the company's Website at [www.northwesternenergy.com](http://www.northwesternenergy.com).

### **About NorthWestern Energy**

Northwestern Energy is one of the largest providers of electricity and natural gas in the Upper Midwest and Northwest, serving more than 640,000 customers in Montana, South Dakota and Nebraska. More information on NorthWestern Energy is available on the Company's Web site at [www.northwesternenergy.com](http://www.northwesternenergy.com).